COTTON THE YEAR'S SENSATION.

BRILLIANT CAMPAIGN WHICH CARRIED THE STAPLE TO 14 CENTS.

A deficient cotton crop, the fourth in succession, and big bull speculations, in which New York and New Orleans operators were foremost, caused in 1903 the wildest fluctuations and the highest prices for that staple seen since the civil war. The consumption exceeded production, and bold operators seized the opportunity to manipulate the market on a scale never before known.

In New York the transactions have risen in a single day to 2,500,000 bales, a total so gigantic as not merely to completely eclipse all records, but to make old members of the trade rub their eyes and wonder whether it was all true.

Big reactions took place at times, reactions of 80 to 90 points, or $2.50 to $4 a bale in a single day—a difference of $500,000 to $800,000 in the profits on 200,000 bales—only to be followed by another leap upward.

During the year, prices were at times so high that many of the mills sold their stocks of raw cotton and there were imports at New York of American cotton from Europe amounting to 32,922 bales from Liverpool, 2,309 from Bremen, 1,386 from Havre and 766 from Genoa, while New Orleans received 1,829 from Liverpool and 2,797 from Bremen.

To understand more clearly the phenomenal rise of prices in 1903 and the almost fabulous speculation, it should be borne in mind that the United States produces fully 70 per cent. of the world's crop of cotton; that a great cotton manufacturing nation like Great Britain is as dependent now upon this country for raw cotton as it was forty years ago, notwithstanding the most persistent efforts to build up a competitor in the southern cotton belt of Africa or Asia; that Continental Europe, where cotton manufactures have greatly increased in recent years, is quite as dependent as England upon this country, and that in such a state of affairs the American cotton crop last year was only 10,727,559 bales to meet a world's consumption of the American staple of 10,859,000, a deficit of 131,441 bales.

The New Orleans bull clique was composed of William P. Brown, Frank B. Hayne, Hugh D. Vincent, Thomas J. Majors, Joseph N. Carpenter, and Judge C. C. Cordill. Back of the New Orleans deal are believed to have been New Orleans banks and one or two New Orleans capitalists, to say nothing of the large combined resources of the operators themselves, and, finally, it is said, the Crédit Lyonnais, a powerful financial institution of Paris.

How It Started.

The Government crop report of Oct. 1, 1902, had much to do with starting the bull campaign of 1902-03. It showed the condition on Sept. 25, as only 58.3 per cent. compared with 64 on Aug. 26; 61.4 per cent. in September, 1901, 67 in October, 1900 and a ten year average of 68.9 per cent. In other words, the condition was unprecedentedly poor. Powerful interests in New Orleans and elsewhere that were already inclined to the bull side pondered that and subsequent reports until the time came for decisive action.

In February they took hold in earnest. The cotton goods trade was reported in a favorable condition. Early in the month, bad weather interfered with picking and the marketing of the crop. In spite of this the receipts were heavy, but this fact had no effect, as the "spot" demand in the South was active. Messrs. Brown and Hayne were buying March and May aggressively and Mr. Sully with his eyes on May especially was accumulating a big line. The New Orleans leaders were buying up spot and preparing for a big campaign.

In the third week of February bull manipulation both here and in New Orleans became more open and aggressive than ever, favored now by a falling off in the receipts owing to very bad weather in the South, snow and sleet storms prevailing and also heavy rains. Toward the close of the month there was some slight recession on profit taking by Egyptian and some New Orleans operators. Nevertheless the option, which at the first of the month was 9.68, touched 10.10 on the 26th.

Cold weather and floods delayed planting. The crop got a start two weeks to a month late. Farming operations early in March were arrested by heavy rains and floods in the Mississippi valley and Texas. The Mississippi rose to the highest point seen since 1898. Lowlands in Arkansas, Alabama and Louisiana were flooded and field work and planting were delayed for weeks.

The fact which long made the position of the bulls impregnable was this, that while the crop of 1897-98 was 11,199,994 bales and that of 1898-99 was the largest on record, or 11,274,840 bales, the four subsequent crops, in spite of an acreage which increased from 23,572,000 acres in 1898-99 to 27,587,534 in 1901-02, and in spite of an acreage last season of 27,114,103, were much smaller and really fell below the world's requirements.

The consumption of cotton in this country, so greatly had the buying capacity of the people increased, had gone ahead of all former years by leaps and bounds. Stocks of cotton goods in the hands of mills, jobbers and retailers have been run down to a low stage.

The world's visible supply on Jan. 1 was 3,882,308 bales, or nearly 500,000 bales less than the same time last year. It decreased till on Jan. 30 it reached 4,116,930 bales; after that, the bulls were greatly encouraged to see it gradually decrease till on June 28 it was only 2,294,894 bales.

During the memorable month of July it fell to 1,688,972 bales, and on Sept. 1 it was 1,180,270 bales, or 166,000 less than on the same day in 1902 and nearly 400,000 less than on the same date in 1901.

It was such facts as these and reports of very scanty supplies at the interior uncounted towns that emboldened the bulls to start a campaign that may yet prove even more remarkable than it was in 1903. Even as it was it stated, after a careful canvass of stocks in the interior, that 30 per cent. less is held than at this time in 1903.

In January the March option ranged from 8.55c. to 8.91c. During February it ran up to 10.16c., after selling in that month as low as 8.71c. In March the current option ranged from 8.58c. to 10.26c., and went out on the 31st at 9.68c.

April in the advance. In January it sold at as low as 8.60c., but, in common with other months, it gradually moved upward, reaching 10.10c. in February, 10.16c. in March—after dropping in the mean time to 9.58c.—and 10.57c. during the month itself.

Sully's May Deal.

Mr. Sully's May, 1903, deal was one of the most eventful of the year. Yet early in April, to go no further back, the feeling of many of the trade was bearish. The bulls had little to cheer them except the smallness of the stock at New York, which on April 3 was only 62,491 bales, against 186,448 at the same time in 1902. Already the May shorts were being squeezed, as it was clearly shown by the premium on that month of 40 to 50 points over June. The difference between May and July, too, began to widen so sharply as to attract attention and arouse a good deal of uneasiness among the shorts in May.

Meantime May continued to move up resistlessly until April 13, when it touched 10.63 cents. At this point Mr. Sully began to sell eagerly, and within four or five days disposed of some 100,000 bales of May, besides a considerable quantity of July.

May fell from 10.63c. on April 13, to 10.10c. on April 21. July, which had touched 10.20c. on the 13th, was let off to 9.71c. on the 21st. This would seem to have been largely a move of Mr. Sully's to shut out receipts at New York from the South. Certainly he himself let the price drop fully fifty points and that was enough to put a quietus on the scheme to swamp this market with cotton from the South and break the deal. From 10.10c. on the 13th the price crept up till on the last day of April it had climbed back to about where it was before, or 10.60c.

Meantime, on April 28, about 30,000 bales were tendered on May contracts and were promptly taken care of by Mr. Sully, who gradually drove the price of May up to 11.98c. on the 20th of the month. He was favored somewhat by unseasonably cold weather; by the fact that the world's supply was 400,000 bales smaller on May 1 than at the same time in 1902, and by a very large short interest in New Orleans, where exporters had sold and begun to fix shipments with Europe. Early in the month the New Orleans market led the advance.

Mr. Sully sold pretty freely in securing profits whenever it could be done without disturbing the market. In the first week of May, it is of interest to note, the reports of a large increase in the acreage planted began to cause large selling of the next crop deliveries by New York and out of town people at around 8½ to 8⅝c., selling which was to have such an unhappy sequel.

Around 11.98c. Mr. Sully again became a big seller and buyers were eager to cover in spite of the falling off in the "spot" demand at Liverpool and reports that many American spinners were actually selling their supplies or raw cotton at the tempting prices current and closing their mills.

The deal, in a sense, culminated on May 20, when 11.98c. was reached. The next day heavy selling by Mr. Sully and others suddenly caused a drop to 11.70c. The following day, May 22, it sold up to 11.75c., the next dropped to 11.48c., rallied on the 25th to 11.60c., fell on the 26th to 11.23c., rallied to 11.45c. on the 27th, fell back the next day to 11.21c. and went out on the 29th at 11.19c.

June was also squeezed by the victorious bulls and, in fact, every other month, so it came round. In May, June rose to 11.36c., helped, of course, very materially by the brilliant success of the May campaign, and in the month of June itself, the current option went out at 12.58c.

The July Option.

July opened with rumors of dissensions among the New Orleans bulls, a falling off in the demand from English and American spinners to meet in many cases a decrease of prices, as well as some weakness in the weather and a greater disposition to sell and finally a rather bearish Government report issued on July 3, putting the condition at 77.1 per cent., against 74 in June.

Under the influence of this report and the other temporarily adverse conditions mentioned, July, which had sold in the first part of the month as high as 12.90c. drifted downward to 12.55c. on the 3d in tent and then rapidly declined to 11.75c. on the 6th and to 11.15c. on the 7th, which was the lowest price of the month. It was then that the bulls, it is supposed, suddenly began to buy.

From 11.15c. July worked up to 12.55c. on the 10th, or 140 points in three days, equal to nearly 1½ cents a pound, or $7.50 a bale. This spectacular rise was accompanied by reports of great excitement in the cotton markets of both hemispheres. At the same time cotton goods began to advance. On the 16th the price, which the day before had ranged from 11.90c. to 11.90c., suddenly sprang to 12.75c., partly on reports of unduly cold weather. It worked up to 13.75c. on the 23d. Meantime, however, New Orleans bull leaders had again taken the aggressive.

The price of middling uplands touched 13.50c. on July 24. July rose to 13.75c., the highest point of the month. But from this on there was a gradual recession, owing to copious rains in Texas, a marked falling off in the demand from English and American spinners and to reports that Continental spinners were supplied with cotton sufficient to last till next March. The price gradually fell to 12.50c. on July 28, a day on which, to show the unsettled state of the market, it ranged from 12.50c. to 13.00c., or 50 points. There was a brief spurt to 13.00c. on the 30th, and the month ended at 12.40c. The range of July during that month was thus 11.15c. to 13.75c.

August was also to give the shorts a "bad quarter of an hour," even if it did not sell so high as July. In May the August option sold at as low as 9.59c. In June it leaped to 13c., stimulated by the great from 11c. to 12.95c. and in August itself from 11.30c. to 12.44c., the month going out at 12.25c. to 12.30c.

September Movement.

Many thought that the bull speculation would end with the ending of the crop year on Aug. 31. But September had surprises in store which will long be remembered in cotton circles. In fact, the deal in September option was one of the most famous. Many of the old hands of "shorts" were settled privately with William P. Brown. The quantity is known to have been very large and the deal was well, all things considered, one of the most successful of the series.

September sold in March at as low as 8.63 cents. In April it reached 9.07 and by the following month, 10.14. In June it rose to 11.99 cents; in July it ranged from 10.16 to 11.84 cents; in August from 10.31 to 11.90 cents and in September from 10.58 to 13.20 cents.

The first week of September witnessed wide fluctuations under the manipulation and selling of the bull clique. The price ranged from 10.98 to 11.68 cents.

The trend of quotations was downward, particularly as the weather was favorable for the crop, and the Government report on the 3d., much to the surprise of the bulls, put the condition at 81.2. Bears attacked the market and on the 9th on heavy selling for both long and short account the price was forced down to 10.58 cents or 110 points below the high point on the 2d.

Now began, however, a gradual rally. Dry weather began to be complained of in the Southwest and in the Mississippi Valley. Complaints of boll weevil damage came from Texas and injury by rust and shedding from Alabama, Mississippi and Florida and also some sections of the Southwest.

September shorts became nervous and began to bid prices up on themselves, encouraged by support from the bulls, though the latter sold steadily on the rise. The receipts increased, but not enough to afford the shorts any relief from the pressure. However, owing to rather larger offerings by the South and considerable selling by the Brown-Hayne clique and others the price sagged to 10.80 cents by the 25th of the month, a decline of 68 points from the highest price of the previous week. But it was only a momentary lull.

The total world's visible supply of all kinds on Sept. 25 was the smallest in many years and no less than 622,581 bales smaller than at the same time in 1902. The deficit in the world's supply of American cotton was 701,481 bales. The bulls, favored by such facts as these, drove the price up to 13.20 cents on the 29th. On Sept. 30 the current option went out at 12.80 to 13 cents.

While September had ranged from 10.50 to 13.20 cents during the month, October swung between 9.30 and 10.60 cents. During October itself it was naturally impossible to keep up prices as had been done with the September option, for the world's visible supply, which on Sept. 25 was only 1,139,256 bales, had risen by Oct. 9 to 1,630,173 and the receipts had begun to increase largely at the Southern ports.

From 10.40 cents the price receded to 9.90 cents on the 28th in consequence of increasing receipts and Mr. A. J. Buston's crop estimate of 11,250,000 bales. The quotation rose to 10.26 cents on the 30th, which closed the October campaign.

The feature of the opening days of November was the estimate of the world's consumption of American cotton at 10,877,000 bales, whereas many believed the crop itself would not be over 10,500,000 bales at the most. Mr. Ellison postulated a crop of 11,200,000 bales, which was considered surprisingly low. During October the November option had sold at from 9.07 to 10.35 cents.

The price of November gradually worked up to 11.20 cents on the 13th. Some reaction on large receipts and realizing of profits sent November back to 10.81 cents, a fall of 36 points from the high point of the 13th, but ten days later it was back at 11.04 cents. Talk was already heard to the effect that the Government ... would very likely be distinctly bullish. Middling uplands on the spot had risen to 11.30 cents on Nov. 20, as against 10 cents on Oct. 2. The option receded to 10.90 cents on the 23d, and then moved up steadily to 11.33 cents on the 30th, closing a very successful month for the bulls.

The December Climax.

The developments during the month of December electrified the cotton world. On Dec. 3 appeared the Government report, which will be a landmark in the trade of many a year to come. It stated the crop at 9,962,039 bales of an average net weight of 490.8 pounds, and amid scenes of excitement never before witnessed at the exchange prices advanced in a single day 75 points, or three-quarters of a cent per pound. December touched 12.82 cents that day, January 12.46 cents, March 12.53 cents, May 12.59 cents and July 12.53 cents. It startled the bears beyond question. The transactions on that day were estimated at from 2,000,000 to 2,500,000 bales, or in either case far the largest on record. A bullish report had been expected.

The demand from spinners, however, immediately fell off sharply, and in the following week December dropped to 11.81 cents and May to 12.16 cents, although the speculation continued to be active and excited. The receipts were so large, so considerably in excess of last year's, that faith in the Government crop figures began to be shaken. Soon, however, the bulls again took the aggressive, and prices resumed their upward course.

Continental houses and Egyptian operators were heavy buyers in Liverpool, and by Dec. 18 middling uplands here were 13.05 cents, against 8.30 cents on the same day last year. The movement of the crop continued on a scale considerably larger than that of last year. There was louder dissent than ever from the Government crop estimate of 9,962,000 bales.

But exporters at the South began to default on the contracts made early in the same season to supply European spinners with cotton, such defaults in Texas alone in a single day being figured at fully 60,000 bales. Meanwhile, William P. Brown, who was supposed to have taken the short side for a time in November, came over to the bull side of the market.

Meantime, too, Southern spot markets became more active, and this with manipulation and a demoralized retreat of the shorts lifted December to 12.73 cents, a new high record for the season; January to 12.82 cents, March to 13.01 cents and May to 13.17 cents, although in the week ending Dec. 18 the movement into sight was 360,000 bales against 284,000 last year, and up to that date reached 6,097,212 bales, or 45,000 bales more than during the same period last season.

On Monday, Dec. 28, there was a sudden leap of 51 to 62 points, or $2.50 to $3 a bale, on rumors that the ginners' report on the 30th would show that the crop in January would be very bullish, indicating a crop well under 10,000,000 bales. It was due to a misunderstanding.

On Monday, Dec. 28, December suddenly jumped to 13.82 cents and March to 14.18 cents. April ran up to 14.20 cents, May to 14.26 cents and July to 14.27 cents, the highest prices in twenty-seven years.

But the pace had been too quick. All or most of the shorts had been driven out of the market and the bulls were simply buying and selling among themselves.

While the air was full of talk of "15 cents before New Year's," a report that Mr. Sully had stated to the trade that English and French mills would go on short time, and the severity of the comments on the "Publicity" circular of Sully & Co., started an avalanche. December fell to 13.30 cents, January to 13.05 cents, May to 13.48 cents and July to 13.50 cents. The next day prices again fell sharply, the fall in two days being 89 to 98 points, or nearly 1 cent.

COFFEE ON THE RISE

It Got to the Lowest Price on Record in 1903.

THEN IT ADVANCED RAPIDLY.

The World's Demand Now Overtaking the Supply.

Period of Overproduction Regarded as at an End—Takes a Good While to Increase the Output—French Speculators Active in the Market—Other Influences That Promise to Make 1904 a Bull Year in This Staple.

In the year 1903 coffee touched its lowest price. It got down to 3.55 cents in September. This price, far under the cost of production, was the culmination of a downward movement, which began with the year. It was followed by an upward swing, which carried the price to 7.80 cents in November. As the year closed the upward movement was still in progress.

The course of the market through the year is best understood in the light of the story of the coffee trade since 1886. In January, 1886, coffee sold at 8.35 cents. In the same month in 1887 it sold at 13.50 cents, and in the June following 22.25 cents a pound was touched, a high record price. As a result of these high prices, which were maintained for many years, the price in August, 1895, being 15.60 cents, there came an era of overproduction.

The situation brought its own solution. The first and most effective factor in reducing production was the neglect of coffee areas by the planters who found the care of the tree unprofitable.

A second element was the lack of moisture to develop and mature the areas left. In the years of high prices planters had denuded large tracts of timbered land, with the object of planting coffee trees thereon. The result was a similar denudation the world over. Severe droughts in 1901 and 1902 served still further to reduce production. Killing frosts also played a part in the restriction.

The results of the overproduction which followed the high prices are strikingly shown in the figures of the world's visible supply of coffee. On Jan. 1, 1898, the visible coffee supply of the world was 6,357,000 bags. On Nov. 1, 1903, this supply was swollen to the high water figure of 13,918,000 bags. On Dec. 1, the visible supply had dropped to 13,838,000 bags. It is the opinion of many influential trade interests that each of many months in the current year will see similar decreases.

The falling off in production consequent on diminished profits is shown in the annual crop figures. The coffee crop of 1901-02 was 15,500,000 bags. This enormous production was reduced to 12,300,000 bags in 1902-03, the crop year being the twelve months from July to July. The 1903-04 crop is variously estimated at from 10,000,000 to 11,000,000 bags, and the growing crop, that of 1904-05, is placed a million bags lower.

There has been an almost unprecedented growth in the consumption of coffee, and it is widely believed that if the bull party had the case the absurdly low price reached in September would never be touched at least a year ago. Statistics show that the consumption of coffee per capita is ten pounds yearly. The average family consists of five persons, according to the statisticians, so that fifty pounds of coffee are consumed yearly by a family.

A factor in the development of new markets has been the competition between certain coffee and sugar interests in this country. These interests are in control of great markets and their competition has so lowered the price of roasted coffee in proportion to the price of the raw product that the consumer has reaped great benefit. New territories have been opened.

These conditions of a decreased production, owing to low prices and consequent neglect of plantations, and increased consumption, due to the causes enumerated, were the basis of an abrupt upward turn in prices witnessed at the close of the year 1903.

Differing from all other produce unless it be that of cloves, coffee production is hedged about with natural conditions which delay fruition for many years. If cotton is bringing high prices the planter can extend his operations so that his product comes into the market while profits are large. One year suffices for this purpose. With coffee, however, the producer must wait patiently, be prices never so high, for three years after planting before there is the first sign of fruit and for two more years before the tree yields a full crop.

When plantations have been neglected it is a question of time only before the demand overtakes the supply. It is on the theory that this operation has taken place and that its effects cannot be made good before the full period consumed by nature in bringing the trees to maturity elapses that the coffee trade is looking for higher prices.

On the Coffee Exchange there were factors somewhat outside of producing conditions which governed the course of the market through the year. One of these, and an important one, was the final closing out of a line of speculative coffee that included more than 2,000,000 bags. The last of this line, some 200,000 bags, was sold, according to report, in September to interests which had up to that time been operating vigorously. At that time, charged their market position at that time, coffee having touched 3.55, and this example was followed generally.

The French influence has also had much to do with the better tone of the market. A powerful group of French speculators began three or more months before the end of the year to take an active interest in the coffee trade in Europe and this market, on the theory that demand had overtaken production. Their operations have been extensive and are even said to have extended to cotton and securities.

The increased public interest in the coffee market was a prominent feature toward the year's end. The influence and extent of this interest is understood when it is stated that in one Stock Exchange house alone, where heretofore trading in coffee had been almost unknown, there were at the end of the year over forty active coffee accounts. Brokerage houses which had become successful ventures in the cotton market turned their attention to coffee, and at the high levels, it is estimated, there were at least a dozen Stock Exchange firms actively operating in coffee at the end of the year.

The intricacies of speculation in coffee have heretofore acted as a deterrent to trading generally, but the changing of methods employed on the Exchange is making the business more diffused. Coffee is sold in lots of 250 bags, or 32,500 pounds. This is the smallest trade and a margin is exacted. The smallest fluctuation is 5 points, or 5-100 of a cent, equalling $16.25 per lot of 250 bags. The commission is $10 for buying and $10 for selling—$20 for the round trade.

On the Exchange coffee is sold on the basis of No. 7 Rio or Santos coffee and this fact brings confusion to the uninitiated. It means that the Exchange has graded all coffee into nine grades for the purposes of trading. Between grades there is a difference of 50 points, or ½ cent. Thus if coffee is purchased and the seller delivers No. 2 coffee, there is a difference between it and the basis, No. 7, of five grades, or 2½ cents, which must be added to the quoted price. Similarly, if No. 9 were delivered 1 cent would be deducted from the quoted price.

At the present time there is an abundance of high grade and a small supply of low grade coffees.

HARD TIMES IN FALL RIVER MILLS.

Condition of the Cotton Market Disastrous to the Trade—Dividends Cut.

FALL RIVER, Mass., Dec. 31.—The year 1903 closes here with business affairs in a condition that is anything but satisfactory. There are more complications than the business leaders have been called upon to cope with at any other time within the last quarter of a century. The corner in the cotton market, the short crop in the South, the refusal of planters or their agents to fill the orders they accepted weeks ago, and the depression in Wall Street have combined to make their task a difficult one.

Fall River depends upon a single industry for its support. Disturb or depress the cotton cloth business, and Fall River receives a setback immediately. The entire community feels it.

Some of the mills have already prepared their statements, and upon their figures is based an estimate of the business of all for the closing quarter. The poor returns of the last three months pull the average dividend down to 5.88 per cent., which is lower than when conditions are normal.

In the first three months business was satisfactory. Cotton was not high, and the price received for cloth was fair. Good wages were paid.

The depression began in April. Mill men held their cloth for many weeks, refusing to cut the market price. But they were battling against odds, and finally printers and converters received concessions. Then the demand did not increase. From week to week the manufacturers proceeded in hope that the printers were short and would be compelled to come into the market. They did not come, and a surplus that would be too heavy to carry was feared.

Then the mills curtailed. Every one of them was stopped for at least four weeks, and early all New England did the same. There was no relief at once, but better conditions were expected when the fall trade set in. Again there was disappointment.

The fight between cliques in the cotton market started. Cotton advanced steadily and the price of it was almost prohibitive even before the report on the new crop was given out. The uncertainty caused by the operations prevented long contracts. Few buyers wanted them and mill men refused to enter into them while the margin between cotton and cloth changed regularly.

Some weeks ago the margin was on the wrong side and there was a cut-down in wages. It was a cut of 10 per cent., and it went into effect early in December. The small store keepers felt it at once. Those who could do so cancelled orders for their holiday goods. Many could not, and they sustained a loss.

The cotton brokers have dropped more money than ever before in their careers. They are at the mercy of the Southerners, many of whom are refusing to fill orders.

Then a loss has been sustained because of short bales. When cotton is ordered it is expected that there will be 500 pounds to the bale. Many lots received of late have averaged less than 450 pounds of cotton. The weight over that was made up in the burlap wrapper. The few mills that bought cotton when it was at 10 or 11 cents have been able to make a little money. The others have not.

The Wall Street depression is felt here, because a large number here do business with New York markets. In consequence of the depression there banks here are short. They are slow to advance money, even at 6.5 or 7 per cent.

Congressman William S. Greene, who returned recently from Washington, attributes the present unsatisfactory conditions to the money market. He believes that as soon as the money now centred in the West is distributed through the South and the East there will be a change in this city. He does not attribute the winter's dulness to the high price of cotton, for he is of the opinion that had money been easy the mills would have got through without difficulty. He looks for a big business here in the spring, feeling that after the money situation is relieved, the cotton and cloth markets will regulate themselves.

The Hon. R. T. Davis, ex-Congressman from this district, an old leader in cotton manufacturing here, and now president of the Home Market Club of Massachusetts, is hopeful, but not as optimistic as Congressman Greene. He regards the fight for supremacy in the cotton market and the consequent prohibitive price as the real source of the difficulty here to-day. Some mills, he thinks, may be obliged to stop for a while if they cannot meet the demand from the cotton dealers.

G. M. Haffards & Co., leading bankers and brokers, attribute most of the trouble to the cotton market. They say that the tight money market has interfered with business in the mill stock market, but not so much with the cloth trade. The cotton for mills here cost $15,000,000 last year. At present rates it would cost probably $7,500,000 more.

The mills that have not sold any cloth have been in a bad way, as they have had to borrow money to pay their running expenses and buy their cotton. Many, however, have been selling in large quantities of late, and they believe that relief is in sight. Already the buyers are entering the market in large numbers. Some mills are now getting more money for their cloth as compared with the price of cotton than they did a month ago.

CINCINNATI SAYS 1903 WAS GOOD.

Almost as Prosperous as 1902—Several Tall Office Buildings Put Up—Railroad Earnings.

CINCINNATI, Dec. 31.—Although business in general in Cincinnati and vicinity was a shade below the high water mark of the year before, 1903 was beyond the average of all ordinary years. Manufacturing plants of all kinds were kept running steadily and often extra men and hours were necessary. It has been said during the year that no willing, able bodied man need remain out of employment an hour.

A practical demonstration of Cincinnati's prosperity was the erection of several skyscraper office buildings in the year just closed.

This city participated largely in the increased earnings of the railroads. Col. Brent Arnold, general freight agent of the Louisville and Nashville, estimates that the Cincinnati business of all the railroads increased 8 or 10 per cent. over 1902.

Thomas P. Egan, head of the Fay-Egan Company, woodworking machinery manufacturers, who was the first president of the National Association of Manufacturers, said:

"I do not think that the depression in Wall Street has affected business in general at all. There are some evidences of a sort of waiting on the part of the people, Micawber like. Still orders and collections are coming in right along. Business goes along at a perfectly satisfactory gait, and I think it will continue to do so at least for some considerable time to come. The many manufacturers I have met recently, from East and West, have been full of confidence in the future."

J. H. Hart, manager of the P. Echert candy factory, speaks in glowing terms of the past year and with scarcely less enthusiasm of the outlook. Of course, the best of the whole year's candy trade lies in the Christmas holiday season. Mr. Hart said:

"The season we have just passed through was one that I shall never forget. We were all so occupied with the flood of business that we barely had time to eat or sleep. It was a grand winding up of a great year of business, and it does not require any figuring to discover that this year was the greatest and in every way the most satisfactory that we ever experienced. In general, the people seem to want a better grade of goods than heretofore."

W. A. Bennett, ex-president of the National Hardwood Lumber Association, said: "Business was satisfactory pretty nearly throughout the past year—not as good as the year before, on the whole, but above that of the average year. I see no good reason why the coming season and the entire year should not prove fully up to the average."

Capt. J. B. Foraker, Jr., vice-president of the Cincinnati Traction Company, operating the local street railway system, expressed himself in this way:

"We did not carry as many people the past year as in 1902. I presume that this was because they did not have as much money to spend. However, it was a good year.

"I do not believe that we have felt the depression in Wall Street at all. An indication of the general activity in commercial and industrial circles, I take it, is the fact that we have to pay the same prices as formerly for all our supplies. This keeping up of prices, also, would seem to me to indicate the continuance of the present fairly satisfactory times for a considerable period, at least."

BEET SUGAR MEN NOT ALARMED.

More Factories Going Up in Colorado in Spite of Cuban Reciprocity.

DENVER, Dec. 31.—The passage of the Cuban Reciprocity bill has not alarmed Colorado beet sugar producers, nor did the prospect for several months of its certain passage disturb them one-tenth as much as their representatives in Congress made it appear.

That there was no serious apprehension was evidenced by two important developments in the Colorado field not ten days before "the assassination of the sugar beet" in the Senate. The American Beet Sugar Company, through Henry Oxnard, signed contracts with farmers in the Arkansas Valley to build a sugar mill at Lamar, Col., at a cost approximating half a million dollars. In the same week the six sugar companies of northern Colorado owned and controlled by the Havemeyers granted the farmers an increase of from $1.50 to $5 a ton for beets, and made contracts to maintain that price for the next three years and to accept all the farmers could produce.

Colorado's sugar making capacity has been trebled within the last year. In three months the factories grind out the product of a year's growth, consumption of which must extend through the twelve months. Colorado for the first time is having to store sugar to the capacity of its warehouses and ship hundreds of tons to other centres of distribution, east and south. Colorado sugar is being sent to towns on the Southern Pacific and northeast as far as Minneapolis and St. Paul.